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ABSTRACT OF THE DISCLOSURE

A system and method for providing banks with access to a previously inaccessible existing international infrastructure. A provider bank first establishes on its system, a set of accounts for each of the customers of a client bank. (the client bank environment). The client bank environment has its own Demand Deposit Account (DDA) module to process account entries and calculate interest and its own funds transfer module to initiate and to receive funds transfers. The primary interface into the funds transfer section in the client bank environment is to the funds transfer section of the provider bank environment.

The funds transfer section of the provider bank is coupled to the systems which constitute the international banking infrastructure that is able to process banking transactions on a global basis for the customers of the client bank. A customer requests a particular international transaction to be performed by its client bank. The client bank then communicates the requested transaction to the funds transfer section in the client bank environment within the system of the provider bank.

Once the client bank funds transfer section has received the requested transaction, it references the customer's accounts in the client bank environment (e.g., to debit the customer's account) and then transmit a transaction message (e.g., a payment message) to the funds transfer section of the provider bank environment. The funds transfer section of the provider bank processes the transaction as a typical correspondent bank payment across the Nostro account(s) of the client bank environment (e.g., a high value wire transfer) through one of the clearing systems. Incoming funds (i.e., credits) intended for accounts of customers of the client bank follow this flow in reverse.